

Reg. No. :

Name :

Sixth Semester B.A. Degree Examination, March 2021

First Degree Programme under CBCSS

Economics

Core Course XIV

EC 1644 – INTERNATIONAL ECONOMICS

(2018 Admission Regular)

Time : 3 Hours

Max. Marks : 80

SECTION – I

Answer **all** questions. Each question carries **1** mark.

1. FDI (Foreign Direct Investment)
2. Dynamic gains.
3. Snake in the Tunnel.
4. Trade Blocs.
5. Forward rate.
6. Foreign exchange rate.
7. Protection.
8. Revaluation.

9. Multi National Corporations.

10. Nominal exchange rate.

(10 × 1 = 10 Marks)

SECTION – II

Answer **any eight** questions in not more than one paragraph. Each question carries **2** marks.

11. Define quota.

12. What is common market?

13. What is FII?

14. What is Marshall-Lerner condition?

15. Define terms of trade.

16. What is free trade area?

17. What is Offer curve?

18. What is nominal exchange rate?

19. Define relative PPP.

20. What is commercial policy?

21. What is economic integration?

22. Explain Leontief paradox.

23. What is appreciation?

24. What is spot market?
25. Explain infant industry argument.
26. Distinguish between static and dynamic gains.

(8 × 2 = 16 Marks)

SECTION – III

Answer **any six** questions not exceeding **120** words each. Each question carries **4** marks.

27. Distinguish between internal and international trade.
28. What is J-curve effect?
29. What are the components of BOP?
30. What is community indifference curve?
31. Explain flexible exchange rate.
32. What is hedging?
33. Explain Mint parity theory.
34. What is customs union?
35. Explain Absolute Advantage theory.
36. What are the objectives of WTO?
37. What is the role of IMF in managing international liquidity?
38. What is managed floating?

(6 × 4 = 24 Marks)

SECTION – IV

Answer **any two** questions. Each question carries **15** marks.

39. Explain the Heckscher-Ohlin theorem.
40. Explain the concept 'trade as an engine of growth'.
41. What is comparative advantage theory?
42. What is foreign trade multiplier? Explain.
43. Explain the theory of Purchasing Power Parity.
44. 'Mercantilism laid the foundation for today's nationalism and protectionism. Nations felt they lost power as a result of globalism and the interdependence of free trade'. Elucidate the statement.

(2 × 15 = 30 Marks)